

Dale Pendell:

Money as a Zero-Sum Game

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In game theory, zero-sum games are those where one person's gain is another's loss. A poker game is zero-sum. Those busy accumulating hoards of money try to hide its zero-sum nature by saying that the "pie" is getting bigger. Prosperity is not a zero-sum game, though "prosperity" is too easily conflated with monetary wealth, which is not the same thing at all. Clearly, quality of life is not a zero-sum game—quite the contrary. The whole bodhisattva impulse of Mahayana Buddhism stems from recognizing that individual nirvana is incomplete until everyone is liberated.

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All of the things that we might call "true wealth": health, enough to eat, shelter, meaningful work, diverse habitats and resources, beauty around one—natural beauty and artistic beauty—none are diminished by all having more.

But this is not true of money. If everyone had a million dollars, what would a million dollars be worth? Money is a usurper, it pretends to be wealth. And its pretension is backed up by force, creating a new type of slave: the mercenary. And most conveniently, the mercenary, truly the oldest profession, is paid in the money he protects. Money has power because of scarcity, and the threat of scarcity. Without money you will starve and die, even if there is food around. Without money you will become homeless, sleeping in the rain and shivering in the cold. Therefore when I say I need some dirty work done, you say yes. I say yes. We say yes.

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Money is coercive, seductive, corrupting, and exploitative, hence often linked with diabolical power. "The love of money is the root of all evil," Paul's first letter to Timothy. Or, as amended by George Bernard Shaw: "The lack of money is the root of all evil." Both sayings seem true: greed for more in the already-haves wreaks destruction on a scale orders of magnitude beyond the petty crimes of the indigent. Still, lack of money, need for money, loads my soul with care.

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Money seems like a natural and necessary part of the world, but, actually, it is neither. Money has a history and a biography. It had a childhood and an

adolescence. No one knows if it has an old age and senility, unless that is now. No one really understands money, and certainly no one, not even the governments that print money, control it, despite their best efforts.

In some ways money is the ultimate pyramid scheme—its value is surprisingly sensitive to human attitudes.

“Your money’s no good here.”

Others make money their god, their master. Pragmatic. Realist.

“Money will win. Trust me. And either you are with the haves or you are with the have-nots.”

But how much “have” is enough? There seems no limit.

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I hear arguments against copyright laws—yet the first copyright law is against counterfeiting. No one is talking about doing away with that law! If money were a “natural” item of value, why not produce it?

Actually, this is done all the time. Corporations create new stock, governments create bonds. Moe Moskowitz, the late owner of Moe's Books, a used bookstore in Berkeley, printed trade slips that looked like dollar bills, with a cartoon picture of Moe in the center and the words “In Moe We Trust.” On the back the clerks would write how much trade you had left and initial it. Moe's Money even had an exchange rate with US dollars—on Telegraph Avenue one could get 50 % of its marked value in “real” money.

The monopolistically inflated value of the money of national governments such as that of the US Treasury is protected by armies and prisons. The coercive, zero-sum quality of money is nowhere more apparent. If counterfeiting money were not a criminal matter, but only one of public acceptance, “official” currencies would find their true social value. It is no coincidence that the corporate economy evolved along with the debtor's prison.

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Because most of us exchange work for money, money pretends to be a measure of work, of one's contribution to society. This is of course ludicrous. In the 21st century the connection of money to productive work is secondary or accidental.

In a money economy, one can work hard for a lifetime and still be poor, while another can be rich by having money to start with, or by a few vagaries of fortune. Fortune. And everything in between.

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Fortune is a gamble, and the big money is in gambling. Nothing is being produced: it's a game.

"Made a fortune betting against Wall Street."

"Made a fortune betting with the big money."

"Here's a million dollars: double it."

"Lost a fortune."

High risk: betting the dark horse, but with other people's money. Dark horse lost this time. Hmmm. National disaster. International crisis. And the government as insurance: "too big to fail." Send the bill to those who work. Otherwise money will be seen as a sham. There will be a collapse. And hey, nobody wants that. Charge all the workers a year's wages, then get tough on "welfare."

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The head of Tyche, goddess of fortune, is stamped on a gold stater minted in Smyrna in the first century, BCE. On Tyche's head are miniature walls and guard towers: the walls of the city, the walls of the state. Or walls of a prison. Or the vault of a bank. On the reverse there is a statue of Aphrodite, one breast exposed. Security and pleasure. Anal and erotic. Part lottery token, part whorehouse pass.

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Maybe the two dollar bill should be given yet one more chance. Actresses and other celebrities could pose nude, artistically of course. Certain bills might even appreciate beyond their minted value. Trade a Cindy for a Clara, a Greta for a Marilyn. Or whoever is new, and hot. Whole exchanges could develop. There could be a futures market. Money could be lent on the future value, and bundles of the loans could themselves be considered capital credit and marketed to pay off the national debt.

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For love or money. Will do. Won't do.

"Not without money, honey."

"I love you but this other man has money."

All of us whores.

"Need somebody killed? Call Mack."

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Herodotus credits the Lydians with the invention of money, of first coining gold and silver and electrum. The Lydians are also noted as being the first to trade items not of their own manufacture, as having the custom of prostituting their daughters, and of being those who first aroused the wrath of the Persians.

The Chinese began using paper money in the Sung. Kublai Khan forbade the circulation of metal coinage, though, as reported by Marco Polo, his notes were redeemable in metal at his mint by metal smiths and jewelers. Exchanging worn and tattered bills for fresh printings cost 3%.

In the West, the first circulating paper money was created by Johan Palmstruch in Sweden in 1661, who got government backing by promising half of the profits to the crown. He did well for a while, but printed too many bills. His bank collapsed. As an act of mercy, he was allowed to go to prison rather than being executed. Fifty years later the Scotsman John Law made a deal with the government of France to give his bank a monopoly in printing government money, promising to pay off the national debt. Law's scheme also worked for a while: trade soared, new industries were given low interest loans, and Law's bank financed road building and other infrastructure projects. Then his bubble burst, and he died penurious in exile. Neither Law nor Palmstruch were evidently "too big to fail."

The first issue of paper currency by a government in the West was in Massachusetts in 1690, to finance a military expedition.

Banks, states, and wars.

War is the parent of armies; from these proceed debts and taxes. And armies, and debts, and taxes are the known instruments for bringing the many under the domination of the few.

--James Madison, April 20, 1795

Wars, states, banks.

The eternal triangle.

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Hamilton thought a national debt would be a national blessing, not only binding the people together but creating a need for taxation which would force people to work harder.

We labour less now than any civilized nation of Europe, and a habit of labour in the people is as essential to the health and vigor of their minds and bodies as it is conducive to the welfare of the State.

--Alexander Hamilton, 1781

'Course, Hamilton was a banker, and stood to make a bundle.

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Paper money is revolutionary. Printing presses (such as Benjamin Franklin's) financed the Revolution in America, and later the revolutions in France, Russia, and China. Inflation caused by the promiscuous printing of money tends to favor debtors—it has an equalizing effect. The United States was born from hyperinflation. The biggest debtor, of course, was the government itself.

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Edward Gibbon, writing at the dawn of the age of imperialism, said that money was a stimulant—the drug that got us off our asses to rise above "barbarism." So we run around on speed, inventing new doodads to sell, and suffering the lash of withdrawal if we fall behind.

Economists talk of "injecting" money into the economy: stimulus. Like cocaine, free-base.

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Hooked on money, then held hostage. "I'm the pusher, if I fall, you'll be cut off. Cold turkey. So you pay my bail, my tickets, and my lawyer."

Julius Caesar borrowed large sums of money from his officers. Not only did this enable him to pay off his mutinous troops, but it insured that the future success and prosperity of his officers depended on his own.

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Money is a drug: if the right dosage can be found—printing just enough, not too much—it's like magic. As long as people keep buying things they don't need. As long as those in the business don't hoard too much—which is of course their only reason for being in the business. As long as the real resources don't dry up, the

illusion of prosperity can be maintained with more and more IOUs. To the future. To the earth. Like all stimulants, money steals from tomorrow.

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A shrine to money in a place of business is wholly appropriate: the first dollar bill framed and on the wall by the cash register. Let's keep it straight. Let's keep it clear. Commerce flows through here. Banks don't do that, though, nor brokerage houses. It would be too obvious. Overstated. Money is our business but let's say it is about your future: a warm beach, your money for nothing and your chicks for your money. Casinos do this big time. Success counselors go further: they say you have to attract money with your attitude and your mantras. Repeat every morning: "I admire the rich. I want to be like them." Surely you don't want to be one of the have-nots.

I, too, wish to be paid. Will I get paid for this? Shall I dance? May this be my mantra, a spell: "Money, money, money." Maybe just writing the word will be enough. Invocation. Makes the world go round.

It is more easy to write on money that to obtain it; and those who gain it jest much at those who only know how to write about it.

-Voltaire

Sigh.

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Perhaps Jesus does smile on wealth, in spite of his sandals. The Calvinists thought worldly success a mark of the elect, and made hoarding a virtue. "Anal." The fecal, excremental nature of money was analyzed by Norman O. Brown:

Until the advent of psychoanalysis and its doctrine of the anal character of money, the profoundest insights into the nature of the money complex had to be expressed through the medium of myth—in modern time the myth of the Devil. The Devil, we said in our chapter on Luther, is the lineal descendant of the Trickster in primitive mythologies; the evolution of the Trickster, through such intermediary figures as the classical Hermes, into the Christian Devil reflects the history of anality.

--N. O. Brown, *Life Against Death*, p.301

My grandmother, a woman who always liked to carry a wad of bills, taught me that money was dirty and that you had to wash your hands after counting it. Which is really pretty obvious.

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And yet there is a Dionysian quality to money, or at least to spending it. Burning money would be very Dionysian. "His alternative worship is war." Norman O. Brown. War or potlatch: the dilemma of late capitalism.

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Burning money. Art project for Burning Man—an offering to Dionysus, a superstitious rite to avert bloodshed and cataclysm, to bring true prosperity, peace. A large cage—the metal rods plated with gold and silver, set atop a wooden pyre. Everyone contributes a dollar bill. Thousands. Large blowers whirl the bills in a vortex, then it's burned. Gas cannons. Flame throwers.

People dance.

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Aristotle said that money was meant to be used in exchange, but not to increase at interest. He called the ability of money to engender itself usury (τόκος), the birth of money from money, and called it the most hated sort of money-making.

*They have brought whores for Eleusis
Corpses are set to banquet
at behest of usura.*

--Ezra Pound *Canto XLV*

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Is money the best system? That lack of certain pieces of paper can condemn ordinary people to misery and early death does not seem "best" in any way. Yet as globalization seeks out and destroys the last vestiges of the old economy—based on barter and networks of reciprocal obligations--poverty will be the inevitable result. A few, of course, will find new power and privilege, and lots of new gadgets. Everyone, in fact, will have new gadgets, even the poor. The poor may no longer have gardens or a pasture held in common or their own fishing boats, but they will have new gadgets.

Money is about poverty, and the threat of poverty. It is poverty that gives money value. By threat of poverty, one must not only work—which people have always done—but must work *for money*, even if that work has no value or is destructive. And money is about power—power backed up by arms and prisons. Poverty, power, and prison are money's soul, flesh, and bones.

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Do I have a better idea? No, but that doesn't change my analysis. Still, just for fun, let's remove one leg of the tripod: legalize counterfeiting. Would the world be better or worse? Would there be less poverty, or more? Less crime, or more crime?

"Oh, Moe's Money, sure, I'll take that."

"Treasury note? Hmmm. You got anything else?"

One could carry around whole rolls of money in case one got mugged. Counterfeiting would naturally prey on the big currencies. Local scrips would acquire a new respect. And while the paper value of the tycoons would drop, they would still be tycoons—they've been printing money for years. For everybody else, actually, life would go on just fine. Maybe there would be more trading. And maybe you'd want to know the person you were working for, and whose money it was you were taking.

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But paper money is a relic anyway. Money today is mostly a web of interlocking data bases. There have been proposals in the government to phase out the hundred dollar bill, to curb the black market. Even the writing of checks has declined. More and more financial transactions are electronic and invisible: card swipes, bits shifting on a hard drive. Little fees can be sliced off, the "house take" at the gaming table.

And the "house" can create more money whenever it wants to—a note of obligation—which can then be bundled and sold. Who needs a Fed? Get the US out of the money business. Leave it to private businessmen, who know what they are doing and have such a great record. Like banks, or insurance companies. Ha Ha. We take your money and then we're gone.

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Burned.

Burned me.

Caesar burned me.
 My partner burned me.
 I'm busted.
 I need a hundred dollars.
 Now gimme money.
 Brother, can you spare a dime?

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Back to metal? An ounce of gold for a couple of pounds of laptop? Or further back, before money. There are still things of value—cowrie shells, strings of dentalium, beaten sheets of copper, herds of cattle or horses. “Big men,” those with much, give feasts, and thereby earn prestige. Ordinary people get by. Maybe a young man has to take risks to earn the bride price if he’s in love with a girl from a big house.

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It’s a question of scale and edge: before money, subsistence level was the poorest one could be, and was the way most people lived. Money has created a poverty *below* subsistence. Today some “earn” enough money in one hour to feed and shelter one hundred people for a whole year, or to pay 20,000 people minimum wage, or to pay 4,990 people at \$20 an hour and still leave \$200/hr. for oneself.

Milton Friedman’s grandfatherly voice tells us that those women in the sweat shop aren’t being exploited, they are being given a chance—they are working their way up. After all, when they lived on farms they didn’t have any money at all. Now they can buy things. Now she’ll do a strip tease. Now she’ll let me fuck her.

Perhaps the bottom of the scale is a better measure of the wealth of a society than the gold and jewels at the top. We need something better than the silly and wholly self-serving GDP, Gross Domestic Product, which really has nothing to do with “product.” A country that destroys its farming soil to force out three record yields isn’t making itself richer, it is impoverishing itself. We can save money by not dealing with our trash—better bottom line. Put the trash in the water. Put the trash in the air. Plastic in the oceans. Save money. Make money with IOUs. Maybe deserts aren't so bad. I'll be dead. Broken glass on the beach. I'll be dead, but I'm rich now. Money defines only itself as “capital,” excluding air, water, forests, and the health, happiness, and harmony of citizens.

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The first duty of every citizen is to insist on having money on reasonable terms, and this demand is not complied with by giving four men three shillings each for ten or twelve hours' drudgery and one man a thousand pounds for nothing. The crying need of the nation is not for better morals, cheaper bread, temperance, liberty, culture, redemption of fallen sisters and erring brothers, nor the grace, love, and fellowship of the Trinity, but simply for enough money.

--George Bernard Shaw, Preface to *Major Barbara*, 1907

One of Wang An-Shih's Sung reforms was to make low interest government loans available to farmers, to undercut usurious loan-sharking.

Any of the bail outs would have been better served by giving the money to the people: \$5,000 per person, \$10,000 per person, \$20,000 per person. Thousands of new businesses spring up; there is money in circulation, new joint ventures, new banks, education in neighborhood collectives—a chance to break out of the cycle of poverty. Who knows better what is good for the people than the people? Not Papa Banker, and his cronies at the Treasury.

The single most successful issue of paper money in the Colonies, in Maryland, was given directly to the taxpayers.

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How to play the game? Let's be rational, think this through. Cooperate or doublecross? TIT FOR TAT or SCREW EM ALLTHE TIME. Actually, let's cheat: collude, merge, monopolize the market and then split the take. That's win-win. Let's bankrupt the company, pocket the money, pay a couple of fines, then retire. Rational.

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They dance, out of sight, and play muted tambourines, all the way to the bank.

We would like to quiet their laughter, and to wipe the smirks from their faces: perhaps call them philistines, but they own the speakers and the paper. A mass of cold air is pouring through the mountain passes: I need a jacket. No money. Zen *roshi* Robert Aitken once opined, somewhat enigmatically, that it is easier to practice "true poverty" if you own your own home.

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Money, you must realize, is a dharma. Like all things—pickup trucks, loaves of bread, flashy jewelry—money is a part of the Buddha's body, and therefore just

as precious and as deserving of respect, as a bucket of water. "It dazzles, and it slips us by," Gary Snyder, in "Money Goes Upstream." That which seeks to own the source: winged Hermes, god of commerce and thieves.